

Education (PE.Prog.II) Department

Sub:-School Education – APLC – LCQ No.2660(Starred) notice given by Sri Nimmakayala China Rajappa, Smt Nannapaneni Rajakumari & Bommidi Narayana Rao, MLCs – Regarding “Payment of cess arrears to State Library Department by Municipal Administration” – Regarding.

Ref:-From the Secretary to Legislature,  
Lr.No.2660/Qns.A.1/2009-1, dated:14-7-2009  
-ooOoo-

Please see the U.O. received from MA&UD Department at page 1 c.f., along with its enclosures thereto and also see the marginal instructions of Secretary at X on page 1 c.f.

The Secretary, APLC, Hyderabad, in his letter has stated that the LCQ.No.2660(Starred) given notice by Sri Nimmakayala China Rajappa, Smt Nannapaneni Rajakumari & Bommidi Narayana Rao, MLCs – Regarding “Payment of cess arrears to State Library Department by Municipal Administration”, which has been admitted and requested to furnish reply to the above question on or before 24-7-2009.

In view of the position above and as per the instructions at X on page 1 c.f., the LCQ.No.2660(Starred) may be forwarded to the Director of Public Libraries, Hyderabad, and requested to furnish reply along with note for supplimentaries by fax message before 24-7-2009, for taking further action in the matter.

Subject to orders on para\_\_\_\_\_above, a draft Memo.is submitted below for approval.

A.P.L.C.  
BY FAX - MOST IMMEDIATE

TO-DAY

GOVERNMENT OF ANDHRA PRADESH  
Education (PE.Prog.II) Department

Fax. Memo.No.12988/PE.Prog.II/A2/09-1

dated:23 -7-2009

Sub:-School Education – APLC – LCQ No.2660(Starred) notice given by Sri Nimmakayala China Rajappa, Smt Nannapaneni Rajakumari & Bommidi Narayana Rao, MLCs – Regarding “Payment of cess arrears to State Library Department by Municipal Administration” – Regarding.

Ref:-From the Secretary to Legislature,  
Lr.No.2660/Qns.A.1/2009-1, dated:14-7-2009  
-ooOoo-

The attention of the Director of Public Libraries,Hyderabad, is invited to the reference cited (copy enclosed). She is requested to furnish reply to the following LCQ.No.2660(STARRED) given notice by Sri Nimmakayala China Rajappa, Smt Nannapaneni Rajakumari & Bommidi Narayana Rao, MLCs, together with possible supplementaries by fax message on 24-07-2009, to take further necessary action.

- a) the quantum of arrears of cess received by the State Libraries Department from the Municipal Administration Department as per the orders of High Court;
- b) Whether it is a fact that Anti-Corruption Bureau and Vigilance Departments have conducted enquiry into the allegations that corruption has taken place in the purchase of books and supply of computers etc; and
- c) If so, the details thereof and the measures take to prevent corruption?

M.JAMES  
DEPURY SECRETARY TO GOVERNMENT

To  
The Director of Public Libraries,  
A.P. Hyderabad.

// forwarded by order //

SECTION OFFICER

**Education (PE.PROG.II) Department**

**ANDHRA PRADESH LEGISLATIVE COUNCIL  
SESSION : 9**

**L.C.Q.No.2660(STARRED)**

**Given notice by  
Sri Nimmakayala China Rajappa,  
Smt Nannapaneni Rajakumari,  
Sri Bommidi Narayana Rao, MLCs**

Will the Minister for Municipal Administration and Urban Development, Libraries be pleased to state:

| Question  | Answer   |
|---|--|
| a) the quantum of arrears of cess received by the State Libraries Department from the Municipal Administration Department as per the orders of High Court;  | Sir, Rs. 42.12 crores of cess arrears was received |
| b) Whether it is a fact that Anti-Corruption Bureau and Vigilance Departments have conducted enquiry into the allegations that corruption has taken place in the purchase of books and supply of computers etc; and | Yes, Sir. Report is not yet received               |
| C) If so, the details thereof and the measures take to prevent corruption?  | Does not arise                                     |

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The P.S to Minister (MW, PE & SSA).  
The PS to Secretary to Government [ PE ].  
The Director of Public Libraries, A.P.Hyderabad.  
SF/SC.

**U.O.Note.No.12988/PE.Prog.II/A2/2009- , Education (PE.Prog.II),**

**dated: -7-2009**

**EDUCATION (PE.PROG.II) DEPARTMENT**  
**NOTE FOR SUPPLEMENTARY**  
**TO LCQ.NO 2660 (Starred)**

Apart from the Government grant-in-aid the main source of income to the Zilla Grandhalaya Samsthas in the State is the Library Cess collected and remitted by the local bodies viz. Municipal Corporations, Municipalities, Nagar Panchayats and Gram Panchayats.

According to Clause (a) of Sub-Section (1) of Section 20 of APPL Act.1960, every Zilla/City Grandhalaya Samstha shall levy in its area a Library Cess in the form of a Surcharge on the Property Tax or House Tax at the rate of 0.08 paise for every Rupee in the property tax or house tax so levied.

As per the Rule 18 of the APPL Rules 1961, the local bodies shall collect the Library Cess promptly and the amount of cess so collected shall be remitted in full by the Local Authorities to the Treasury account of the respective Zilla Grandhalaya Samstha within a month of collection. But in actual practice, the Local authorities are not remitting the Library Cess regularly as provided in the statutory rules. This procedure was followed till the year 2004-05. In the above procedure, the Government have constituted a Library Cess review committee for each District. The Joint Collector of the District will be the Chairman and District Panchayat Officer of the District, Audit Officer of the Local Fund Accounts , Secretary of the concerned Zilla Grandhalaya Samstha, and all the Commissioners of the Municipalities in the District are the members of the said committee.

In this procedure, certain difficulties were faced in getting the prompt remittance of Library Cess to the Zilla Grandhalaya Samsthas by the Municipalities and Gram panchayatis at local level and Library Cess became very less.

Hence at the High power committee meeting held on 26.04.2005 in the Chambers of Principal Secretary to Govt. Finance ( Works &

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Projects ) Department with the Secretary to Govt in Municipal Administration, PR Dept, it has been resolved that the 8 paise collection on property tax which is collected by the Municipalities and Gram

panchayats will be retained by the respective Local Bodies. On the break-up of amounts furnished by the M.A.&U.D. and P.R. & R.D. Departments, necessary directions will be given as part of the B.R.O., to Commissioner, Municipal Administration and to Commissioner, Panchayat Raj, to deduct equivalent amount out of the grants due to the Municipalities and Gram panchayats and to be adjusted in the Grandhalaya Samsthas at source. The property tax collected for the previous year would be the basis for calculating the amount due to Grandhalaya Samsthas.

After introduction of new policy during the year 2005-2006, Government have released an amount of **Rs.1173.00lakhs** towards arrears of Library Cess due, from Municipal Corporations and Municipalities and **Rs.444.71lakhs** from Gram Panchayats. During the year 2005-06 the Municipal Administration Department released an amount of **Rs.8.25crores** towards Library Cess and the Panchayat Raj Department has released an amount of **Rs.7.10** Crores during the year 2006-07 No amount was released from the Municipal Administration Department during the years 2006-07 and 2007-08.

The Director of Public Libraries has brought it to the notice of the Government that after the introduction of new system the flow of transfer of Library Cess to the Zilla Grandhalaya Samsthas has been adversely affected and that nothing has been received from any of the two departments and requested the Government to review the situation and issue suitable orders for implementation of the statutory provisions relating collection and transfer of Library Cess. On this, the Chief Secretary to Government convened a meeting on the issue on 02.08.2007 wherein it was decided that the Panchayat Raj as well as Municipal Administration Department shall arrange to clear the arrears

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of Library Cess upto the end of financial year 2006-07 at State level from out of the Government grants payable to local bodies and in respect of the year 2007-08 the old procedure of remittance of library cess at source by the concerned local bodies may be reintroduced.

In the light of the above, Government issued orders that the library cess due from urban and rural local bodies as on 31.03.2007 shall be cleared by the Panchayat Raj Department and Municipal Administration Department before the end of the third quarter of financial year 2007-08. And in the financial year 2007-08 i.e., from 01.04.2007 onwards the concerned municipal bodies and panchayats shall transfer the library cess collected by them on monthly basis at their level to the concerned City/Zilla Grandhalaya Samsthas and the monitoring and review mechanism created in the previous Government orders shall be reactivated. The Joint Collectors shall take effective measures to ensure compliance of statutory provisions relating to transfer of Library Cess.

After issue of these orders, the Panchayat Raj Department has released an amount of **Rs.8.66Crores** during the year 2008-09. A W.P. No. 25835 of 2007 was filed in High Court requesting the remittance of Library Cess dues from the Local Bodies and the Municipal Administration Department has been directed to pay the total dues of Rs.42.12 Crores, Out of the total dues of **Rs.42.12 crores**. The Municipal Administration Department has released **Rs.4.00crores** in the year 2008 and **Rs.38.12** Crores in the month of May 2009.

Necessary instructions were issued to the unit offices to collect the Library Cess at local level only from 01.04.2007.

The Regional Vigilance & Enforcement Officer, Hyderabad City-1 has addressed the Director of Public Libraries, vide letter No.859/RVEO-City-I/2008 dt : 06.01.2009, stating that the Regional Vigilance and

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Enforcement Officer, Hyderabad City-I was entrusted with an enquiry into the allegations of certain irregularities in the O/o Director Public Libraries, AP Hyderabad and City Library and requested to furnish the following information:

1. Files pertaining to pest control expenditure in Hyderabad City Grandhalaya Samstha for financial year 2005-06, 2006-07 and 2007-08.

2. Files pertaining to purchase of furniture by City Grandhalaya Samstha, Hyderabad during 2006-07 & 2007-2008.
3. Files pertaining to purchase of Technical stationary during 2006-07 & 2007-08.
4. Files pertaining to purchase of Computers during 2006-07 and 2007-08.
5. Files pertaining to transfer of Rs.02 Crores to Fisheries Department for taking up repairs to the Central Office of City Grandhalaya Samstha, Hyderabad.

Hence, the Secretary, City Grandhalaya Samstha, Hyderabad has been instructed, vide this office proceedings Rc.No.12-A3/2009 dt : 06.01.2009 to hand over the files pertaining to the subjects mentioned above to the Regional Vigilance and Enforcement Officer, Hyderabad City - I. Accordingly, the Secretary, city Grandhalaya Samstha, Hyderabad, vide his letter Rc.No.189-A1/08 dt : 04.02.2009, has handed over the files pertaining to the above subjects to the Regional vigilance and Enforcement Officer., Hyderabad City - I and it is under investigation of the Vigilance Department.

A complaint has been received alleging that Sri K.P.Shankar Rao, Secretary, City Grandhalaya Samstha, Hyderabad is committing irregularities, misusing the funds of the City Grandhalaya Samstha, Hyderabad by spending lot of money more than the budget approved by the competent authority under the concerned heads without obtaining prior permission from the competent authority.

Basing on the said complaint, the Director of Public Libraries, vide Proceedings Rc.No. Complaints -1/2008 Dt : 06.12.2008, has deputed the Officials of the Directorate to visit and seize the concerned records for verification and to know the facts in the allegations.

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Accordingly, the Departmental officials have visited the City Grandhalaya Samstha, Hyderabad on 06.12.2008 and submitted a report. AS per the said report, it is noticed that the allegations leveled in the complaint against Sri K.P.Shandar Rao, Secretary, City Grandhalaya Samstha, Hyderabad and also in the allegations leveled in the News items in this regard are having prima facie evidences.

Hence, Sri K.P.Shankar Rao, Secretary, City Grandhalaya Samstha, Hyderabad and Sri N.Giridhar, Senior Assistant have been kept under suspension, vide Director's Proceedings Rc.No.Complaints-I/2008 Dt : 10.12.2008 so as to conduct a fair enquiry in the matter subsequently, while reviewing the case, vide Director's Lr.Rc.No. Complaints-I/2008 DT : 09.03.2009 after three months, it has been suggested the Government to entrust the case to the C.B.C.I.D. for fair investigation as other Departments are involved & Crores of Rupees are miss-utilized.

Accordingly, the Government, vide Memo.No.5688/SE.VIG.II & CORDN/A1/09-3 Dt : 16.07.2009, have pleased to entrust the case to the C.B.C.I.D. and requested the Additional Director General of Police, C.I.D., Hyderabad to submit a report to the Government expeditiously for taking further action in the matter.

The above information may be submitted to the Government in regard to the 2<sup>nd</sup> point of L.C.Q.2660 (S).

J.C.SHARMA  
SECRETARY TO GOVERNMENT (PE)



**ANDHRA PRADESH LEGISLATIVE COUNCIL  
SESSION : 9**

**L.C.Q.No.2660(STARRED)**

**Given notice by  
Sri Nimmakayala China Rajappa,  
Smt Nannapaneni Rajakumari,  
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**Will the Minister for Municipal Administration and Urban  
Development, Libraries be pleased to state:**

- a) the quantum of arrears of cess received by the State Libraries Department from the Municipal Administration Department as per the orders of High Court;
- b) whether it is a fact that Anti-Corruption Bureau and Vigilance Departments have conducted enquiry into the allegations that corruption has taken place in the purchase of books and supply of computers etc; and
- c) if so, the details thereof and the measures taken to prevent corruption?

**EDUCATION (PE.PROG.II) DEPARTMENT  
ANSWER**

- a) Rs. 42.12 crores, Sir.
- b) No enquiry is conducted by Anti-corruption Bureau. However, an enquiry is being conducted by Vigilance & Enforcement Department.
- a) The enquiry is not yet completed. Necessary steps will be taken as per the recommendations in the Enquiry Report as and when it is received.

**[THE ABOVE ANSWER HAS BEEN APPROVED BY THE HON'BLE MINISTER FOR  
MINORITIES WELFARE, PRIMARY EDUCATION & SARVA SIKSHA ABHIYAN]**

**for SECRETARY TO GOVERNMENT [PE]**

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**U.O.Note.No.12698/PE.Prog.II/A2/2009-2 , Education (PE.Prog.II)  
Department, dated:05-08-2009**

